

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PALADYNE SYSTEMS, Inc., a Delaware
Corporation,

Case No. 07 CIV 8421 (LAP)

Plaintiff,

STIPULATION

v.

STPENABLE, LTD., a United Kingdom
Company,

Defendant.
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IT IS HEREBY STIPULATED AND AGREED, by the undersigned counsel for the parties, as follows:

1. The Order to Show Cause For Temporary Restraining Order And Preliminary Injunction Against STPenable entered by Judge Preska on September 28, 2007 (the "TRO") shall remain in full force and effect in all respects, except as provided below, pending the decision of the Court on plaintiff's motion for a preliminary injunction, or further order of the Court, whichever comes first.

2. Notwithstanding the above, and in light of Judge Preska's schedule, the parties have agreed that STPenable may perform under its Software License Agreement with Lipper Limited dated May 26, 2006 and all accompanying schedules and ancillary agreements (collectively, the "Lipper Agreement") without violating the TRO, provided that any fees or compensation of any kind paid and/or to be paid to STPenable between the time of the issuance of the TRO and the decision of the preliminary injunction hearing pursuant to the Lipper Agreement or any modifications or agreements subsequent thereto, shall immediately be delivered to and held by a mutually-agreeable escrow agent (the "Escrow Agent"). Disposition

of the escrow funds will be determined by subsequent agreement of the parties or by order of the Court.

3. The parties acknowledge that nothing herein shall be considered a waiver by either party of any and all of their respective rights, remedies or positions with respect to this action, the arbitration initiated by plaintiff on September 27th, 2007 or the TRO. Further, the parties acknowledge that nothing herein shall be considered a waiver by Paladyne of any of its rights as against Lipper.

4. STPenable further agrees that it shall preserve all evidence relating to any and all products delivered to Lipper at any time, promised to be delivered to Lipper at any time or products that were otherwise the subject of the Lipper Agreement. Nothing in this stipulation shall allow STPenable to replace or modify any products previously delivered without preserving: (i) the original deliverable precisely as it had been delivered together with information about when it was delivered, and (ii) any replacements or modifications thereto.

5. Defendant's opposition papers shall be served upon Plaintiff by no later than 12:00 Noon on Wednesday, October 17th and Plaintiff's reply papers shall be due by no later than 12:00 Noon on Wednesday October 23rd.

6. The hearing on the Order to Show Cause shall be held on Monday, October 29th before Judge Preska.

Dated: October 12, 2007

October 12, 2007

REED SMITH LLP

SPEARS & IMES LLP

By: Emily B. Kirsch
Scott D. Baker
Emily B. Kirsch
599 Lexington Avenue
New York, NY 10022-7650
(212) 521-5400

By: Debra A. Karlstein
David Spears
Debra A. Karlstein
Sara L. Shudofsky
Justin Deabler
51 Madison Avenue
New York, New York 10010
(212) 213-6996

Of Counsel:
William R. Overend
REED SMITH LLP
Two Embarcadero Center, Suite 2000
San Francisco, CA 94120
(415) 543-8700

Attorneys for Defendant STPenable, Ltd.

Attorneys for Plaintiff Paladyne Systems, Inc

SO ORDERED.

October 12, 2007

Honorable Victor Marrero,
United States District Judge

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